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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 2/18/09

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- 1) Aso, Clinton agree on cooperation in addressing economic crisis

ASAHI (Page 1) (Abridged slightly)  
February 18, 2009

Prime Minister Taro Aso held talks with U.S. Secretary of State Hillary Clinton at his office on the night of Feb. 17 in which they confirmed that Aso would meet with President Barack Obama in Washington on Feb. 24. The two leaders agreed to strengthen the Japan-U.S. alliance and combine efforts in addressing the global financial crisis. They also agreed to work together to make North Korea abandon its nuclear programs and settle the abduction issue.

The prime minister welcomed Secretary Clinton's visit to Japan, saying: "It shows that the Obama administration attaches importance to Japan." Aso also expressed his gratitude for the invitation from President Obama. Secretary Clinton replied: "The President wants to

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hold talks with the prime minister as early as possible."

The prime minister also asked for U.S. cooperation for an early settlement of the abduction issue, while indicating that the abduction, nuclear and missile issues must be settled comprehensively. Meanwhile, Clinton, touching on her meeting with families of abduction victims, played up the importance of cooperation between Japan and the United States. Expressing hopes that China will play a constructive role in the international community, the two leaders shared the view that getting China involved in the global warming issue would benefit both Japan and the United States.

After the meeting with Aso, Secretary Clinton held talks with Democratic Party of Japan President Ichiro Ozawa at a Tokyo hotel. It is rare for a U.S. Secretary of State to meet with a Japanese opposition party leader. According to Ozawa, he indicated that in the Japan-U.S. alliance, one side should not be subservient to the other. He also said that he told Secretary Clinton: "China will become a major challenge for Japan and the United States. How to guide China's democratization to a soft landing will be the most difficult task for the two countries." In response, Clinton said: "That's an extremely important insight. A triangular U.S.-Japan-China relationship is important."

Clinton also met with Defense Minister Yasukazu Hamada yesterday. Highly evaluating the decision to dispatch the Maritime Self-Defense Force on an anti-piracy mission in waters off Somalia, the Secretary also requested Japan to consider protecting vessels that are not Japanese. She also called for Japan's active participation in UN peacekeeping operations.

- 2) Clinton asks Japan to join U.S. Afghan strategy review

MAINICHI (Page 6) (Full)  
February 18, 2009

U.S. Secretary of State Clinton in a joint press conference with Foreign Minister Hirofumi Nakasone yesterday revealed that she expressed her appreciation for Japan's contribution to Afghanistan's reconstruction and asked Japan to participate in the process of reviewing the United States' Afghan strategy. Clinton is expected to make a similar request during her visit to South Korea from tomorrow. This can be taken as a move symbolizing the Obama

administration's diplomatic stance of dealing with pending issues through strengthened cooperation with allies.

In her press remarks, Clinton said she would like to express appreciation to Japan for its reconstruction assistance. Citing school and airport construction, she said the United States wants to consider Japan's experience.

The Obama administration is now reviewing the United States' Afghan strategy with former senior Central Intelligence Agency (CIA) officials, who are experts on Southwest Asian or other regional affairs. The United States will ask its allies to provide military backing and contribute to developing Afghanistan's military and police and providing reconstruction and civilian assistance.

Meanwhile, U.S. Special Envoy to Afghanistan and Pakistan Holbrook has already obtained an agreement from Afghanistan and Pakistan as well to participate in this review process. According to a U.S.

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State Department official, Clinton has told Nakasone that the U.S. government would like to finish reviewing the strategy by the end of March at the latest.

3) North Korean missile issue should be part of six-party talks, says Clinton in interview with Yomiuri Shimbun

YOMIURI (Page 1) (Abridged slightly)  
February 18, 2009

U.S. Secretary of State Hillary Clinton, 61, gave an exclusive interview to the Yomiuri Shimbun at a Tokyo hotel on Feb. 17. In it, the Secretary strongly criticized North Korea's preparations for launching a Taepodong 2 long-range ballistic missile (with a range of 4,300 - 6,000 kilometers) as "provocative and unhelpful." She also made it clear that the United States would deter any attacks on Japan, saying, "We will defend Japan."

Secretary Clinton articulately said: "We will continue to seek ways to discourage them from launching a missile for any purpose." She also expressed her eagerness to discuss the missile issue, which has not been taken up in the six party talks, in the multilateral framework to settle North Korea-related issues comprehensively, including the abduction issue.

Referring to the fact that the main opposition Democratic Party of Japan is calling for a review of a bilateral agreement on the realignment of U.S. forces in Japan, the Secretary said: "A responsible nation follows the agreements that have been entered into." She thus called for the implementation of the agreement and applied pressure on the DPJ's call.

As for Japan-U.S. relations, she categorically said: "It is hard to imagine succeeding without a strong U.S.-Japan partnership." At the same time, the Secretary presented a policy course to maintain cooperative relations even if there is change in Japanese politics, saying: "It is for the Japanese people to determine by whom they wish to be governed. We look forward to deepening and broadening our partnership, no matter what the political future might be."

Further, referring to Japan as a "responsible actor in the world," Secretary Clinton expressed her expectations for Japan to work together in addressing such international issues as climate change and the Middle East situation. She also demonstrated a stance to jointly deal with the financial crisis, saying: "We have some very significant responsibilities to try to work our way through this current economic crisis."

4) U.S. will discuss nuclear arms reduction with China, says Clinton in interview with Asahi Shimbun

ASAHI (Page 1) (Abridged slightly)  
February 18, 2009

U.S. Secretary of State Hillary Clinton, who is visiting Japan, gave an interview to Asahi Shimbun Editor-in-Chief Yoichi Funabashi at a

Tokyo hotel on Feb. 17. Regarding the nuclear nonproliferation and arms control issues, the Secretary revealed a plan to hold talks with China to find out during her upcoming visit to Beijing if it is possible to enter into continued negotiations, like those with the Soviet Union during the Cold War. She said: "There is an important role China must play."

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She indicated that nuclear nonproliferation and arms reduction were issues she was planning to discuss with China during her visit to Beijing. She also explained that Washington thinks that such talks could lead to a continued negotiation process, like the one between the United States and Soviet Union in the past.

The United States is already in accord with Russia to establish a new nuclear disarmament pact replacing the Strategic Arms Reduction Talks 1 (START 1) treaty that will expire at the end of this year. The Obama administration has made it clear that it would aim at the ratification of the Comprehensive Nuclear-Test Ban Treaty (CTBT), in addition to the envisaged new treaty. Secretary Clinton apparently made these comments in an effort to urge China to join a series of efforts to reduce the level of dependence on nuclear weapons.

She also indicated that Japan, the United States, and China should proactively address global warming, describing the approach as an idea worth exploring. With the establishment of trilateral summit talks in mind, the Secretary also showed strong interest in building cooperative relations benefiting each country in such policy challenges as improving energy efficiency and developing clean-energy technologies.

As for the North Korean nuclear issue, the Secretary explained a plan to pursue a direct dialogue with Pyongyang at the same time based on the notion that the six-party talks are a beneficial venue for negotiations.

Regarding the increasingly uncertain Japanese political conditions in the wake of Shoichi Nakagawa's announcement to resign as finance minister, Secretary Clinton showed consideration to the Aso administration by simply saying: "The alliance is firm and will continue regardless of who is in power in the United States and Japan."

5) Unusual meeting: "We will win the election," says Ozawa

SANKEI (Page 5) (Full)  
February 18, 2009

Democratic Party of Japan (DPJ) President Ichiro Ozawa on the evening of February 17 met with visiting U.S. Secretary of State Clinton for about 30 minutes at a Tokyo hotel. Both agreed that Japan and the U.S. make efforts to strengthen their bilateral alliance. The Ozawa side had indicated an outlook before the meeting that it would be just to introduce each other, avoiding in-depth discussion. However, it is viewed that Ozawa concentrated his efforts on wiping away anxieties felt by the U.S. over himself, by revealing his pet argument, including his view on the China issue.

Ozawa during the meeting said, "I am one of those who advocated from the beginning that the Japan-U.S. alliance is important above all things." He also pointed out: "Our alliance should not be a relationship in which one side is subservient to the other. Our relationship must be such in which the two countries exchange views and abide by decisions reached through discussion."

Regarding the U.S. force realignment, Ozawa said: "It is important for our two countries to discuss a global strategy as real allies and deal with individual issues, based on agreements. It has been a problem that our country's government has been avoiding giving its

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views in a proper way."

Furthermore, regarding China, he stated: "Market fundamentalism and communism are incompatible in principle. Discrepancies are bound to surface. The major theme for Japan, the U.S. and the world is how China will make a soft landing in its democratization. A communist-dictated China is troublesome." In response, Clinton said, "It is a very important insight. The U.S. will increasingly commit itself to China on the political, business and military fronts. The Japan-U.S.-China triangle is a very important relationship."

Lastly, Ozawa conveyed his resolve to take over the reins of government, saying, "We will do our utmost to win the election so that I can continue to have talks like this with the secretary of state."

It is unusual for a U.S. secretary of state to hold separate talks with an opposition party leader. According to a person who was present at the meeting, the amount of time in which Ozawa spoke was longer than the length of Clinton's remarks.

Ozawa also touched on the North Korea issue, noting, "I do not think that North Korea will abandon the nuclear card."

Ozawa had earlier rebuffed a meeting with Clinton. However, it was realized with Diet Affairs Committee Chairman Kenji Yamaoka, his close aide, working for its materialization.

#### 6) Clinton-Aso meeting

MAINICHI (Page 6) (Full)  
February 18, 2009

#### Japan-U.S. alliance

Prime Minister Taro Aso: Your visit to Japan this time demonstrates the Obama administration's stance of placing emphasis on Japan, and I welcome it. Our bilateral alliance with the United States is the axle of Japan's diplomacy, and I would like to further strengthen the alliance, while joining hands with President Obama and you.

Secretary of State Clinton: Our bilateral alliance is a cornerstone for peace and prosperity in the Asia-Pacific region. We want to strengthen the alliance further.

#### Japan-U.S. summit

Aso: I appreciate President Obama's invitation (to the White House for a Feb. 24 summit meeting). Let me ask you to tell the president that after going through domestic procedures, I will visit the United States and then I would like to hold a summit meeting with him.

Clinton: The president also would like to meet with the prime minister as soon as possible.

#### Regional situation

Aso: It is in the interests of both Japan and the United States, and it is also the responsibility of our countries to see that universal values take root in the Asia-Pacific region and to build a free, prosperous, stable, and foreseeable region.

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Aso, Clinton: We confirm that Japan and the United States, based on their alliance, will deal with various challenges in East Asia. We share expectations of China to play a constructive role in the international community.

#### North Korea problem

Aso: It's important to work out a comprehensive solution to the various pending issues like abductions, nuclear programs, and missiles. I would like to have the continued cooperation of the United States in order to resolve the abduction issue at an early date.

Clinton: I met with the families of abductees. Bilateral cooperation is important.

Sakhalin visit

Aso: I will visit Sakhalin, Russia, on February 18 to hold a Japan-Russia summit meeting.

Climate change

Aso, Clinton: We agree to cooperate on such global issues as climate change, energy resources, and international healthcare. We will closely consult on climate change in particular.

7) Clinton-Ozawa meeting

MAINICHI (Page 6) (Full)  
February 18, 2009

Democratic Party of Japan (Minshuto) President Ichiro Ozawa: I'd like to say thank you for visiting Japan first. I appreciate you for considering my schedule so that I can meet with you during an hour like this.

Secretary of State Clinton: Next year will mark the 50th anniversary of our bilateral alliance. The alliance between Japan and the United States has brought good results in all senses not only for our two countries but also for Asia. In the next 50 years as well, let us make efforts to further solidify our bilateral alliance.

Ozawa: I totally agree. Concerning what I've recently said, I had advice from an American friend, and I was told that I am being misunderstood. However, I am one of those who have said that the Japan-U.S. alliance is of paramount importance. But an alliance must not be a relationship for one country to be subordinate to the other country. We should exchange views about our respective standpoints and discuss and reach a better conclusion. We should follow that conclusion and we should have an equal partnership. That can be called an alliance for the first time.

Clinton: It's important to utilize our bilateral alliance and friendship in various areas, based on our partnership. Today, we signed the agreement to relocate the U.S. Marines in Okinawa to Guam. We can make further contributions to the modernization of troops in the Pacific region and the maintenance of deterrence in the region and the defense of Japan.

Ozawa: Concerning the realignment of U.S. forces in Japan, Japan and

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the United States should discuss global strategies, and based on a bilateral agreement, the two countries should deal with each issue. That's important. The Japanese government has failed to insist on its standpoint. That's where the problem is. I think that the reason for that is because the Japanese people have not been prepared to fulfill responsibilities while sharing roles even in the face of difficulties. It does not seem to me that North Korea will give up its nuclear card. China is a still bigger problem. China has introduced market mechanisms for its growth. That's significant. However, market mechanism and communism are incompatible with each other like a double-edged sword. Contradictions will come out. China is the biggest problem in the world. How to democratize China is the biggest task for Japan and the United States.

Clinton: I think that's a very important insight. The triangular relationship of Japan, the United States, and China is important. I'd like to continue to talk with you, Mr. Ozawa.

Ozawa: We will do our best in the next election so I can talk with you and other U.S. leaders.

8) Clinton-Hamada meeting

MAINICHI (Page 6) (Full)  
February 18, 2009

U.S. Secretary of State Clinton: I strongly believe that the alliance between our two countries is one of the most important relationships in the world. I'd like to make efforts to move the alliance forward.

Defense Minister Yasukazu Hamada: The realignment of U.S. forces in Japan is now in a new phase. This is a good opportunity to review the significance of the bilateral alliance in its entirety and the way it should be.

Clinton: Japan is playing very important roles. The first role is providing assistance to Iraq. The second one is refueling in the Indian Ocean concerning Afghanistan, and the third one is sending out ships (to waters off the eastern African coast of Somalia) against pirates. I think the Diet will discuss antipiracy measures, but we'd appreciate it if Japan will also consider being able to protect other countries' ships during emergencies.

Hamada: I'm aware of that issue. We're looking into the feasibility of enacting a new law.

9) Japan, U.S. agree to hold bilateral summit on the 24th: Diet schedule adjustment to require juggling act; Nakagawa's resignation unanticipated

NIKKEI (Page 3) (Full)  
February 18, 2009

The Japan-U.S. foreign ministerial meeting, held on February 17, produced a major result with agreement reached to hold the first summit meeting between Prime Minister Taro Aso and U.S. President Obama on February 24. In view of Diet deliberations, however, adjusting the Diet schedule might require a juggling act.

According to the Japanese side, the policy direction for holding the summit on the 24 was finally set on the 16th, the day before the

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foreign ministerial meeting. The Japanese side had been searching for a timetable for holding the summit before the financial summit on April 2. Nobody at first had expected that the bilateral summit would be realized for later this month.

Late February is a delicate timing in relation to the fiscal 2009 budget bill. The Group of Seven finance ministers and central bankers meeting (G-7) has just agreed to disburse funds ahead of schedule to address the global recession. The prime minister's side wants to appeal his stance of tackling an economic stimulus package, by having the budget bill approved by the Lower House before his U.S. visit.

The ruling parties had originally aimed at having the bill approved by the Lower House on the 20th. After being sounded out about holding a summit meeting by the U.S., the prime minister presumably determined that it would be possible for the bill to clear the Lower House by the 23rd, while turning down demands for the resignation of Nakagawa.

Nakagawa's resignation must have been beyond the scope of the assumption for the prime minister. Nakagawa announced his resignation at a press conference around the same time when the foreign ministerial meeting, where the date for the summit was set, ended. Nakagawa's announcement seemed to be a bolt out of the blue for the U.S. side, as well. Some in the government and the ruling parties take the view that if Nakagawa had announced his resignation a day earlier, it would be an open question whether the decision to hold the summit on the 24th would have been reached or not.

Since Nakagawa quit on the 17th, a situation in which the submission of a censure motion stalls Diet deliberations completely has been avoided. However, whether the budget bill can secure approval of the Lower House is still unclear. It is possible for the ruling party-dominated Lower House to railroad the bill, citing the importance of the economic stimulus package. However, should that occur, the opposition parties are bound to object even more strongly.

For the U.S., the 24th is the key day, because President Obama will deliver a speech at a joint plenary meeting of the House of Representatives and the Senate on his future policy management. The prime minister will likely be forced to make an ultimate decision with U.S. side's consideration going straight to his heart.

10) Secretary Clinton to abductees' families: Abduction issue a priority for U.S.

SANKEI (Page 2) (Full)  
February 18, 2009

The family members of Japanese abducted by North Korea met yesterday with visiting Secretary of State Hillary Clinton at the U.S. Embassy in Minato Ward, Tokyo. Those who met Clinton include Shigeo Iizuka, brother of abductee Yaeko Taguchi and representative of the Association of the Families of Victims Kidnapped by North Korea, and Shigeru and Sakie Yokota, the parents of abductee Megumi Yokota.

According to the association, Clinton told the three family representatives that she understands that the abduction issue should be a priority for the United States, as well, and that she would like to look into how pressure should be applied to resolve the

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issue. When the abductees' families called for listing North Korea again as a state sponsor of terrorism, Clinton was quoted as saying: "I will take action after fully looking into it."

During the 30-minute meeting, Clinton showed strong interest in the abduction issue, saying: "North Korea is an inhumane country, with conditions there cannot be understood. I have long been concerned about this issue and have studied it from various aspects."

Showing the pictures of Taguchi and Megumi, Iizuka and the Yokotas stressed that U.S. cooperation was indispensable. Clinton reportedly encouraged them by saying: "I believe it has been difficult for you to have carried out activities for more than 30 years. But I want you to continue to do so."

11) Empress delighted to meet Clinton again

YOMIURI (Page 30) (Full)  
February 18, 2009

U.S. Secretary of State Hillary Clinton was invited to a tea party yesterday by the Empress at the Imperial Palace. The Empress greeted Clinton at the entrance soon before 3:00 p.m. The two women embraced and they took each other's hands. The Empress was pleased to meet Clinton again.

According to the Imperial Household Agency, the Empress and Clinton have met three times so far, including one when the Emperor and Empress visited the United States in 1994.

Clinton had requested a meeting with the Empress during her visit to Japan and she was invited to the palace in her capacity as a former first lady, the agency said.

12) Secretary Clinton holds town meeting at Tokyo University: The U.S., which did not used to listen, has changed and is listening now

ASAHI (Page 8) (Excerpt)  
February 18, 2009

U.S. Secretary of State Clinton, who is visiting Japan for the first time since assuming her office, gave a speech last evening at a town meeting with students and others at Tokyo University. She stressed that she was taking a stance of giving priority to dialogue, saying: "Until recently, the United States did not easily turn its ears to differing views of the peoples of the world. The Obama administration is changing all that."

After she spoke for about 15 minutes to the assembly of



approximately 270 students and others, she took questions from eight students.

13) Concerns in Washington about Tokyo's policy implementation capability; Will there be another "Japan passing" phase?

SANKEI (Page 6) (Excerpt)  
February 18, 2009

Takashi Arimoto in Washington

During her meetings with the foreign minister and others on Feb. 17,

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Secretary of State Clinton stressed the importance of even closer cooperation between Japan and United States. For the Obama administration, which has criticized the Bush administration for its unilateralism and vows to cooperate with every country on such global issues as climate change and the financial crisis, the presence of Japan as its ally is indispensable. However, with Japan now unable to swiftly respond due to its political turmoil, there are voices of concern already rising on the U.S. side, with one U.S. government responsible official saying, "'Japan passing' may become inevitable."

14) Nakagawa's resignation accelerating departure from Aso in ruling camp; Resignation after passage of budget bills now seems possible

ASAHI (Top Play) (Excerpts)  
February 18, 2009

Finance Minister and State Minister for Financial Services Shoichi Nakagawa submitted a letter of resignation to Prime Minister Aso last night to take responsibility for causing controversy by appearing to be dazed during a press conference after the Group of Seven (G-7) finance ministers and central bank governors' meeting in Rome. Shortly after noon yesterday, he announced his intent to resign after the fiscal 2009 budget and related bills pass through the House of Representatives. But since the opposition camp later submitted a censure motion against Nakagawa to the House of Councillors in the afternoon, Nakagawa decided to resign immediately in order to avoid Diet deliberations from falling into chaos. State Minister in Charge of Economic and Fiscal Policy Kaoru Yosano will take over Nakagawa's post. A series of blunders by the Aso administration has accelerated the exodus away from Aso in the ruling camp. The possibility of his resignation after the budget bills clear the Diet is now taking on a reality touch.

Aso administration already in collapse process

Although Prime Minister Aso instructed him to stay on, Nakagawa, Aso's close friend, was driven to step down. This fact shows that the Aso administration is losing his leadership and has begun to slowly collapse. Many members of the ruling parties now think they will not be able to win the next general election under Prime Minister Aso. Under this situation, there is a strong possibility that Aso will step down after the fiscal 2009 budget and related bills are enacted in the Diet.

Aso appointed Nakagawa as finance minister to have him engage in tackling the prime minister's biggest challenge of unifying the fiscal and financial systems, but many critics were questioning his credentials to assume the post from the beginning because he is notorious for turning nasty when drunk. Although Nakagawa was "a mental support" for the prime minister, as said by his aide, the appointment of his friend has ended in failure.

It is unprecedented for a finance minister to resign while budget bills are under deliberation. In this case, it was because of his questionable behavior in a press conference. What is worse, Aso announced he would keep Nakagawa in his post, but the following day, Nakagawa announce his intention to step down. As for the timing, as well, "only after the budget bills clear the Lower House" was changed to "immediately." This signifies that the prime minister has completely lost his grip on the ruling parties.

Aso is scheduled to meet U.S. President Barack Obama on the 24th and also to hold talks with Russian President Dmitry Medvedev on the 18th. But it is unlikely that Aso, who is losing political ground, will be able to turn the tables through these diplomatic events. He is considering a plan to compile a supplementary budget bill after the fiscal 2009 budget is enacted, but even bills related to the fiscal 2008 second extra budget are still on the table.

His remark, "I did not support the postal privatization plan," further weakened his survivability. The dominant view in the ruling camp is that Nakagawa's resignation just after this controversy has completely upset the prime minister's scenario of retaining leadership by recovering his popularity and growing the economy. Given that there is no potential successor to Aso, many LDP members have so far refrained from calling for a change of prime minister. But attention in the party has now shifted to when Aso will resign.

15) Nakagawa's resignation: When deliberations on budget will start unclear

MAINICHI (Page 5) (Excerpts)  
February 18, 2009

The Diet was out of session yesterday due to the resignation of Shoichi Nakagawa, finance minister and state minister for financial services. With Nakagawa's resignation, a minimum condition has been prepared for the opposition camp to return to the Diet. However, it is true that the uncertainty is looming over how deliberations on the state budget will turn out. It is uncertain whether the fiscal 2009 will quickly clear the Lower House and whether the second supplementary budget for fiscal 2008 will be enacted.

The Lower House Budget Committee yesterday took a break from meeting immediately after the opening of the session because the opposition parties did not attend it. Therefore, Prime Minister Taro Aso and Nakagawa were forced to stand by in the committee's reception room for about two and a half hours intermittently. Media cameras continued focusing on boot-faced Aso and Nakagawa.

"I apologize for acting disgracefully. I also apologize for failing to convey before the press conference (at noon I announced my resignation)," Nakagawa said and bowed on his knees a meeting of the budget committee directors, which started at 2:00 p.m. After Nakagawa had walked out of the session, the ruling coalition called for the initiation of deliberations, but Yukio Edano of the main opposition Democratic Party of Japan (DPJ) talked fast and furious: "The finance minister is a person who presented the budget and who will implement it. Since he has decided to quit his post, he should not have made responsible replies."

What made the matter complicated was that Nakagawa had said at the press conference at noon that he would resign after the fiscal 2009 budget and related bills cleared the Lower House. Nakagawa's statement gave the opposition an excuse to boycott deliberations.

16) Aso administration facing most serious crisis

TOKYO SHIMBUN (Page 1) (Full)  
February 18, 2009

Shoichi Nakagawa, Prime Minister Taro Aso's close friend and a pivotal member of his cabinet, resigned as finance minister

yesterday. His resignation has driven the Aso administration into its most serious crisis since it was inauguration. Fearing that the Nakagawa debacle might act as the trigger to bring down the administration, which has been suffering low popularity, many members in the ruling camp have begun to openly call for replacing Prime Minister Aso.

Tadamori Oshima said of the finance minister's resignation yesterday, "There will be damage," but many party members do not take such an optimistic view, probably focusing on Aso's mistake this time, too. After the questionable press conference, the dominant view in the party was that the prime minister should let Nakagawa out of the post immediately, but Aso decided yesterday to retain Nakagawa in his post for a while.

On the 17th, Nakagawa announced he would step down after the fiscal 2009 budget and related bills clear the House of Representatives but submitted a letter of resignation under heavy fire last night.

Repeated changes in Aso's remarks on such issues as cash handouts and a review of the postal privatization plan disappointed the public, weakening his survivability.

Nakagawa's resignation under such a severe environment for the Aso administration is upsetting many LDP members. In particular, some mid-ranking and junior members have severely criticized the prime minister. Voices questioning his appointment of Nakagawa as finance minister, despite his alleged alcohol problem, are growing. The debacle this time has made party members more concerned about the next general election under the Aso administration. House of Councillors member Ichita Yamamoto commented: "Most of those around me have said they would not be able to win the next election under the current situation." A mid-ranking lawmaker said: "It is impossible for the prime minister with public support at the 10 PERCENT level to dissolve the House of Representatives." An atmosphere hoping for a change of prime minister is permeating in the LDP.

Junior and mid-ranking party members insisted yesterday on the need to review the party rules on a public election system for the premiership to facilitate junior members to field their candidacies in an LDP presidential election. As it stands, moves with an eye on the post of Aso's successor are gathering momentum.

17) Opposition parties to pursue prime minister's responsibility for appointing Shoichi Nakagawa as finance minister

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The opposition camp intends to call for intense Diet deliberations on such issues as the fiscal 2009 budget bill and related bills. In the deliberations, it will harshly pursue Prime Minister Taro Aso's responsibility for appointing Shoichi Nakagawa as finance minister, who has stepped down over the his behavior at the G-7 meeting. The opposition parties intend to prevent passage of the budget and related bills prior to the Japan-U.S. summit slated for the 24th.

Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama on the evening of February 17 told reporters in Tokyo, "The prime minister bears heavy responsibility for appointing (Mr. Nakagawa)."

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He played up the DPJ's achievement, saying, "We gave the prime minister our final word when we submitted a censure motion against the finance minister." He then revealed the party's decision to retract the censure motion on the 18th.

Tadayoshi Ichida, head of the Secretariat of the Japanese Communist Party (JCP), during a press conference criticized Nakagawa, "It is only natural for him to resign. He does not know when to give up." Social Democratic Party President Mizuho Fukushima said, "The Aso cabinet should dissolve the Lower House and go to the people." People's New Party Secretary General Hisaoki Kamei pointed out in the Diet building, "His resignation is a natural consequence."

The opposition parties had indicated a stance of boycotting a Lower House Budget Committee meeting on the 18th. However, following the resignation of Nakagawa, they have decided to attend it. They intend to pursue State Minister for Economic and Fiscal Policy Kaoru Yosano, who is doubling as finance minister having succeeded Nakagawa, with Hatoyama saying, "I wonder Mr. Yosano can physically manage it if he serves concurrently in three posts."

